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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-082, C-570-083]

Certain Steel Wheels from the People's Republic of China: Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing the antidumping duty (AD) and countervailing duty (CVD) orders on certain steel wheels (steel wheels) from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Lingjun Wang at (202) 482-2316 (AD), Chien-Min Yang at 202-482-5484 (CVD), and Myrna Lobo at 202-482-2371 (CVD), AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(d) and 735(d) of the Tariff Act of 1930, as amended (the Act), on March 28, 2019, Commerce published its affirmative final determination of sales at

less-than-fair-value (LTFV)¹ and its affirmative final determination that countervailable subsidies are being provided to producers and exporters of steel wheels from China.²

On May 13, 2019, the ITC notified Commerce of its final affirmative determination that an industry in the United States is materially injured by reason of LTFV imports and subsidized imports of steel wheels from China, within the meaning of section 705(b)(1)(A)(i) and 735(b)(1)(A)(i) of the Act.³ On May 17, 2019, ITC published its final determination in the *Federal Register*.⁴ Further, the ITC determined that critical circumstances do not exist with respect to LTFV imports and subsidized imports of steel wheels from China.⁵

Scope of the Orders

The products covered by these orders are steel wheels from China. For a complete description of the scope of the orders, *see* the Appendix to this notice.

AD Order

On May 13, 2019, in accordance with section 735(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of imports of steel wheels from China that are sold in the United States at LTFV.⁶ Therefore, in accordance with section 735(c)(2) of the Act, we are issuing this AD order. Because the ITC determined that imports of steel wheels from China are materially injuring a U.S. industry, unliquidated entries of such

¹ See *Certain Steel Wheels from the People's Republic of China: Final Determination of Sales at Less-Than-Fair Value*, 84 FR 11746 (March 28, 2019) (*LTFV Final Determination*).

² See *Certain Steel Wheels from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 84 FR 11744 (March 28, 2019) (*CVD Final Determination*).

³ See ITC May 13, 2019 letter regarding notification of final determination (ITC Notification).

⁴ See *Steel Wheels from China*, 84 FR 22518 (May 17, 2019) (*ITC Final Determination*).

⁵ See *ITC Final Determination* at footnote 2 and USITC Publication 4892 (May 2019) at 3.

⁶ See ITC Notification.

merchandise from China entered, or withdrawn from warehouse, for consumption are subject to the assessment of antidumping duties, as described below.

As a result of the ITC's final determination, in accordance with section 736(a)(1) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price or constructed export price of the subject merchandise, for all relevant entries of steel wheels from China. Antidumping duties will be assessed on unliquidated entries of steel wheels from China entered, or withdrawn from warehouse, for consumption on or after October 30, 2018, the date of publication of the *LTFV Preliminary Determination*,⁷ but will not be assessed on entries occurring after the expiration of the provisional measures period and before publication of the ITC's final affirmative injury determination as further described below.

Suspension of Liquidation - AD

In accordance with section 736 of the Act, we will instruct CBP to reinstitute suspension of liquidation on all relevant entries of steel wheels from China, effective on the date of publication of the *ITC Final Determination* in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 736(a)(1) of the Act, antidumping duties for each entry of the subject merchandise equal to the amount that normal value exceeds export price or constructed export price for the subject merchandise. These instructions suspending liquidation will remain in effect until further notice. For each producer and exporter combination, Commerce will also instruct CBP to require cash deposits for estimated antidumping duties equal to the cash deposit rates listed below.

⁷ See *Certain Steel Wheels from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair-Value*, 83 FR 54568 (October 30, 2018) (*LTFV Preliminary Determination*).

Accordingly, effective on the date of publication of the *ITC Final Determination*, CBP will require, at the same time as an importer of record would normally deposit estimated duties on the subject merchandise, a cash deposit based on the rates listed below.⁸ As stated in the *LTFV Final Determination*, Commerce made certain adjustments for export subsidies from the *CVD Final Determination* to the estimated weighted-average dumping margin to determine each of the cash deposit rates.

Producer	Exporter	Estimated Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (percent)
China-Wide Entity	China-Wide Entity	231.70	231.08

Provisional Measures – AD

Section 733(d) of the Act states that suspension of liquidation instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request Commerce to extend that four-month period to no more than six months. At a request of Xiamen Sunrise Wheel Group Co., Ltd., the exporter that accounts for a significant proportion of steel wheels from China, we extended the four-month period to six months.⁹ Commerce published its *LTFV Preliminary Determination* on October 30, 2018. Therefore, the extended period, beginning on the date of publication of the *LTFV Preliminary Determination*, ended on April 28, 2019. Pursuant to section 737(b) of the Act, the collection of

⁸ See section 736(a)(3) of the Act.

⁹ See *Steel Wheels From the People's Republic of China: Postponement of Final Determination of Sales at Less-Than-Fair-Value*, 84 FR 1063 (February 1, 2019).

cash deposits at the rate listed above will begin on May 17, 2019, the date of publication of the *ITC Final Determination*.

Therefore, in accordance with section 733(d) of the Act, Commerce will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of steel wheels from China entered, or withdrawn from warehouse, for consumption after April 28, 2019, the date on which the provisional measures expired, through May 16, 2019, the day preceding the date of publication of the *ITC Final Determinations* in the *Federal Register*. Suspension of liquidation will resume on May 17, 2019, the date of publication of the *ITC Final Determination* in the *Federal Register*.

Critical Circumstances – AD

With regard to the ITC's negative critical circumstances determination on LTFV imports of steel wheels from China, we will instruct CBP to lift suspension and to refund all cash deposits made to secure the payment of estimated antidumping duties with respect to entries of steel wheels from China, entered, or withdrawn from warehouse, for consumption on or after August 1, 2018 (*i.e.*, 90 days prior to the date of publication of the *LTFV Preliminary Determination*), but before October 30, 2018 (*i.e.*, the date of publication of the *LTFV Preliminary Determination*).

CVD Order

On May 13, 2019, in accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of subsidized imports of steel wheels from China.¹⁰ Therefore, in accordance with section 705(c)(2) of the Act, we are issuing

¹⁰ See ITC Notification.

this CVD order. Because the ITC determined that imports of steel wheels from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China entered, or withdrawn from warehouse, for consumption are subject to the assessment of countervailing duties, as described below.

As a result of the ITC's final determination, in accordance with section 706(a)(1) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, countervailing duties on all relevant entries of steel wheels from China. Countervailing duties will be assessed on unliquidated entries of steel wheels from China entered, or withdrawn from warehouse, for consumption on or after August 31, 2018, the date of publication of the *CVD Preliminary Determination*,¹¹ but will not be assessed on entries occurring after the expiration of the provisional measures period and before publication of the ITC's final affirmative injury determination as further described below.

Suspension of Liquidation - CVD

In accordance with section 706 of the Act, we will instruct CBP to reinstitute suspension of liquidation on all relevant entries of steel wheels from China, effective on the date of publication of the ITC's notice of final affirmative injury determination in the *Federal Register*, and to assess, upon further instruction by Commerce, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rate for the subject merchandise. These instructions suspending liquidation will remain in effect until further notice. Commerce will also instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of

¹¹ See *Certain Steel Wheels from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 44573 (August 31, 2018) (*CVD Preliminary Determination*).

publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on the subject merchandise, a cash deposit for each entry of subject merchandise equal to the subsidy rates listed below.¹² The all-others rate applies to all producers or exporters not specifically listed below, as appropriate.

Companies	Subsidy Rate (percent)
Xiamen Sunrise Wheel Group Co., Ltd. ¹³	457.10 percent
Zhejiang Jingu Company Limited ¹⁴	457.10 percent
All-Others	457.10 percent

Provisional Measures – CVD

Section 703(d) of the Act states that suspension of liquidation instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Commerce published its *CVD Preliminary Determination* on August 31, 2018. Therefore, the provisional measures period, beginning on the date of publication of the *CVD Preliminary Determination*, ended on December 29, 2018. Pursuant to section 707(b) of the Act, the collection of cash deposits at the rate listed above will begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act, Commerce will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of steel wheels from China entered, or withdrawn from warehouse, for

¹² See section 706(a)(3) of the Act.

¹³ Commerce assigned Xiamen Sunrise Wheel Group Co., Ltd.'s rate to each of the entities named as cross-owned in its affiliation questionnaire response: Xiamen Sunrise Wheel Co., Ltd., Xiamen Sunrise Metal Co., Ltd., Xiamen Topu Import & Export Co., Ltd. and Sichuan Sunrise Metal Industry Co., Ltd.

¹⁴ Commerce assigned Zhejiang Jingu Company Limited's rate to each of the entities named as cross-owned in its affiliation questionnaire response: Shanghai Yata Industry Company Limited; Shangdong Jingu Auto Parts Co., Ltd.; Chengdu Jingu Wheel Co., Ltd.; and An'Gang Jingu (Hangzhou) Metal Materials Co., Ltd.

consumption after December 29, 2018, the date on which the provisional measures expired, through the day preceding the date of publication of the ITC's final injury determinations in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Critical Circumstances – CVD

With regard to the ITC's negative critical circumstances determination on imports of steel wheels from China, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of steel wheels from China, entered, or withdrawn from warehouse, for consumption on or after June 2, 2018 (*i.e.*, 90 days prior to the date of publication of the *CVD Preliminary Determination*), but before August 31, 2018 (*i.e.*, the date of publication of the *CVD Preliminary Determination*).

Notifications to Interested Parties

This notice constitutes the AD and CVD orders with respect to steel wheels from China pursuant to sections 705(a) and 736(a) of the Act. Interested parties can find a list of orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are published in accordance with sections 706(a) and 736(a) of the Act and 19 CFR 351.211(b).

Dated: May 21, 2019. _____
Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance

Appendix

Scope of the Orders

The scope of the orders covers certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 22.5 inches and 24.5 inches are generally for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses, and are the current standard wheel diameters for such applications. The standard widths of certain on-the-road steel wheels are 7.5 inches, 8.25 inches, and 9.0 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope. While 22.5 inches and 24.5 inches are standard wheel sizes used by Class 6, 7, and 8 commercial vehicles, the scope covers sizes that may be adopted in the future for Class 6, 7, and 8 commercial vehicles.

The scope includes certain on-the-road steel wheels with either a “hub-piloted” or “stud-piloted” mounting configuration, and includes rims and discs for such wheels, whether imported as an assembly or separately. The scope includes certain on-the-road steel wheels, discs, and rims, of carbon and/or alloy steel composition, whether cladded or not cladded, whether finished or not finished, and whether coated or uncoated. All on-the-road wheels sold in the United States are subject to the requirements of the National Highway Traffic Safety Administration and bear markings, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. *See* 49 C.F.R. § 571.120. The scope includes certain on-the-road steel wheels imported with or without the required markings. Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached are included. However, if the certain on-the-road steel wheel is imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached, the certain on-the-road steel wheel is covered by the scope, but the tire and/or valve stem is not covered by the scope.

The scope includes rims and discs that have been further processed in a third country, including, but not limited to, the welding and painting of rims and discs from China to form a steel wheel, or any other processing that would not otherwise remove the merchandise from the scope of the proceeding if performed in China.

Excluded from the scope are:

- (1) Steel wheels for tube-type tires that require a removable side ring;
- (2) Aluminum wheels;
- (3) Wheels where steel represents less than fifty percent of the product by weight; and
- (4) Steel wheels that do not meet National Highway Traffic Safety Administration requirements, other than the rim marking requirements found in 49 C.F.R. § 571.120S5.2.

Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5045, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

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